

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:

Mountain Express Oil Company, *et al.*,

Debtors.

§
§ Chapter 7
§ (Previously Chapter 11)
§
§ Case No. 23-90147 (DRJ)
§
§ Jointly Administered

CHAPTER 7 TRUSTEE'S EMERGENCY MOTION FOR ENTRY OF AN ORDER
EXTENDING TIME TO FILE CONVERSION SCHEDULES

EMERGENCY RELIEF HAS BEEN REQUESTED.

IF YOU OBJECT TO THE REQUESTED RELIEF OR IF YOU BELIEVE THAT THE EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST APPEAR AT THE HEARING IF ONE IS SET, OR FILE A WRITTEN RESPONSE PRIOR TO THE DATE THAT RELIEF IS REQUESTED IN THE PRECEDING PARAGRAPH. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

**TO THE HONORABLE DAVID R. JONES
UNITED STATES BANKRUPTCY JUDGE:**

The Chapter 7 Trustee in the above-captioned chapter 7 cases (the "Trustee") respectfully submits this *Motion for Entry of an Order Extending Time to File Conversion Schedules* (the "Motion"). In support of the Motion, the Trustee represents and set forth as follows:

PRELIMINARY STATEMENT

1. By this Motion, the Trustee respectfully requests entry of an order, substantially in the form attached hereto (the "Order"), (a) extending the deadline by which the Trustee must file the supplemental schedules of assets and liabilities, schedules of current income and expenditures, schedules of executory contracts and unexpired leases, and statements of financial affairs, (collectively, the "Supplemental Schedules and Statements") by 46 days, through and including

October 23, 2023, and (b) granting related relief. Cause for emergency consideration exists because the existing deadline to file the Supplemental Schedules and Statements is September 7, 2023, the Debtors' financial reporting and organizational structure are complex, and the Trustee has not yet had sufficient time to collect and assemble all of the requisite financial data and other relevant information required to complete all of the Supplemental Schedules and Statements. Accordingly, Trustee does not anticipate being able to finalize reporting, collect and assemble all of the requisite financial data and other relevant information required to complete all of the Supplemental Schedules and Statements prior to September 7, 2023.

2. The Trustee submits that the relief requested herein is in the best interests of the Debtors' estates, their creditors, and other stakeholders.

JURISDICTION

3. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).

4. Venue in this Court is proper pursuant to 28 U.S.C. § 1408.

5. The statutory predicates for the relief requested herein are Bankruptcy Code section 105(a), rules 1007(c) and 9006(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and rule 1019-1 of the Bankruptcy Local Rules for the Southern District of Texas (the "Local Rules").

BACKGROUND

A. General Background

6. On March 18, 2023 (the "Petition Date"), the Debtors filed these jointly administered chapter 11 cases. The Debtors operated their business and managed their properties as debtors and debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code until a Chapter 11 Trustee was appointed on August 17, 2023.

7. On April 4, 2023, the Office of the United States Trustee for the Southern District of Texas (the “U.S. Trustee”) appointed an Official Committee of Unsecured Creditors (the “Committee”).

8. After months of the Debtors attempting to sell their assets, on August 16, 2023, First Horizon Bank, as Administrative Agent for the DIP Loans (the “DIP Agent”) filed the DIP Agent’s Emergency Motion to Appoint Chapter 11 Trustee, or in the Alternative, Convert These Chapter 11 Case to Case Under Chapter 7 [Docket No. 1280].

9. On August 17, 2023, following the Court’s Order Directing the Appointment of a Chapter 11 Trustee [Docket No. 1284], the United States Trustee filed a Notice of Appointment of Chapter 11 Trustee [Docket No. 1286], and appointed Janet Northrup to serve as the Chapter 11 Trustee in these cases.

10. Ultimately, on August 24, 2023 (the “Conversion Date”), upon its own motion and the Chapter 11 Trustee’s request, the Court converted these cases to cases under chapter 7 of the Bankruptcy Code. [Docket No. 1397]. Thereafter, Janet Northrup was also appointed the Chapter 7 Trustee.

RELIEF REQUESTED

11. The Trustee submits this Motion pursuant to Bankruptcy Code section 105(a) and Bankruptcy Rules 1007(c) and 9006(b), requesting entry of an order, substantially in the form attached hereto, extending through October 23, 2023, which is 46 days after the deadline imposed by Local Rule 1019-1 for filing either (i) supplemental schedules in converted cases, or (ii) a statement that there are no changes from the Debtors’ previously filed schedules. Local Rule 1019-1.

SUPPORTING AUTHORITY

A. Cause Exists to Extend the Deadline for the Debtors to File their Schedules and Statements

12. Under Local Rule 1019-1, “[w]ithin 14 days after entry of an order converting a case from one chapter to another, the [Debtors] must file: (1) supplemental schedules itemizing changes from the original schedules in property of the estate and in creditor lists, or (2) a statement that there are no changes.” Local Rule 1019-1. Accordingly, absent the relief requested herein, Supplemental Schedules and Statements must be filed within 14 days after the Conversion Date.

13. Bankruptcy Rule 1007 provides that an extension of time for the filing of the Schedules and Statements may be granted “on motion for cause shown.” Fed. R. Bankr. P. 1007(c). Under Bankruptcy Code section 105(a), the Court has broad authority to issue any order that is necessary or appropriate to carry out the provisions of the Bankruptcy Code. 11 U.S.C. § 105(a).

14. The Trustee submits that good and sufficient cause exists to extend the deadline to file the estates’ Supplemental Schedules and Statements.

15. In addition, completing the Supplemental Schedules and Statements requires the expenditure of considerable time and effort on the part of the Trustee, estate employees, and the Trustee’s advisors to collect, review, and assemble voluminous amounts of data. In these cases, gathering this information is more difficult than usual because of the complexity of the Debtors’ estates and the large number of entities in their organizational structure. The amount of work required to complete the Supplemental Schedules and Statements and the demands on the Trustee’s staff and counsel to address numerous critical matters during the initial post-conversion period provide ample “cause” for the requested extension. Accordingly, the Trustee respectfully requests that the Court extend the deadline by which the Supplemental Schedules and Statements must be filed to and

including October 23, 2023, which is 46 days after the September 7, 2023 deadline imposed by Local Rule 1019-1.

TRUSTEE'S RESERVATION OF RIGHTS

16. Nothing contained herein is intended or should be construed as an admission as to the validity of any claim against the Debtors' estates, a waiver of the Trustee's rights to dispute any claim, or an approval or assumption of any agreement, contract, or lease under Bankruptcy Code section 365.

CONCLUSION

WHEREFORE, for the reasons set forth herein, the Trustee respectfully requests that the Court enter the Proposed Order substantially in the form attached hereto granting the relief requested in the Motion and grant such other and further relief as may be just and proper.

Houston, Texas

Date: September 7, 2023

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**PROPOSED COUNSEL FOR THE
CHAPTER 7 TRUSTEE,
JANET NORTHRUP**

CERTIFICATE OF SERVICE

I hereby certify that this instrument was served by electronic transmission to all registered ECF users appearing in the case on September 7, 2023.

/s/ Joshua W. Wolfshohl

Joshua W. Wolfshohl